

BISMARCK, N.D. – The North Dakota Retirement and Investment Office (RIO) today announced that two independent external audits will be conducted this summer on RIO and the state teachers' and public employees' retirement funds, both a performance audit and a financial audit.

The State Auditor's Office will be conducting its own financial audit, and has advised the State Investment Board (SIB) on the procurement of a performance audit.

The State Auditor has contracted with Eide Bailly to conduct a financial audit of RIO starting July 1, 2010, the end of the fiscal year. The audits that will be conducted are independent external audits and will review management practices.

In addition, the SIB, through its audit committee, is requesting a performance audit, which is an external special audit designed to identify and quantify any irregular financial activity or discrepancies within past management of the investment funds. It will examine electronic information of the manager, including emails, documentation, and hard drives.

In light of the untimely death of former CEO Steve Cochrane, this audit will seek to determine if he adhered to executive limitations regarding the protection, maintenance, and risk of assets; avoided conflicts of interest; ensured reasonable fees under the Prudent Investor Rule; and exercised appropriate diligence in the selection and retention of money managers.

Board members stressed that it is important to do a complete and thorough audit of RIO and the funds. The SIB is comprised of a majority of teacher and state employee representatives.

For further information, contact LeRoy Gilbertson at 701.328.9889

-END-

